

Message Text

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61

ACTION L-03

INFO OCT-01 ARA-16 ISO-00 SS-20 SP-03 NSC-07 EB-11 CIAE-00

INR-11 NSAE-00 RSC-01 COME-00 DRC-01 /074 W

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P 052121Z AUG 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 7580

C O N F I D E N T I A L BUENOS AIRES 5805

E.O. 11652: GDS

TAGS: BBAK, EIND, AR

SUBJBC SWIFT DELTEC

REF: A. BA 4766; B. BA 5698

1. LOCAL ATTORNEYS FOR DELTEC MARCELO ARANDA AND LUIS KENNY MET WITH ME TODAY AT THEIR REQUEST TO SUMMARIZE PRESENT STATUS OF DELTEC CASE. THEY EXPRESSED THEIR STRONG PERSONAL OPINION THAT COMPANY SHOULD IMMEDIATELY RE-OPEN DISCUSSIONS WITH REPRESENTATIVE OF MINISTER OF JUSTICE BENITEX, WHO THEY SEE AS ONLY INDIVIDUAL ABLE TO MOVE CASE TO SOLUTION SATISFACTORY TO COMPANY. THEY CONCERNED THAT ANY FURTHER DELAY BY DELTEC IN RE-OPENING THESE DISCUSSIONS WOULD RESULT IN SERIOUS AND PERMANENT HARM TO COMPANY'S ASSETS IN ARGENTINA. AS AN EXAMPLE, THEY SAID COMMERCIAL JUDGE IN CHARGE OF CASE IS EMPOWERED TO ORDER IMMEDIATE CASH AUCTION OF LA ESPERANZA SUGAR MILL, WHICH WOULD RESULT IN ITS SALE AT PRICE FAR BELOW ACTUAL VALUE. ON OTHER HAND, HE COULD CALL FOR MORE ORDERLY SALE OF PROPERTY IN MANNER WHICH WOULD ENCOURAGE VALID OFFERS AND PROVIDE SUFFICIENT RETURN TO PAY OFF ALL LOCAL OUTSTANDING SWIFT-DELTEC DEBTS WITH SIZEABLE AMOUNT REMAINING FOR PARENT COMPANY. THEY REPEATEDLY STRESSED NEED FOR IMMEDIATE ACTION ON PART OF COMPANY.

2. I EXPLAINED CLEARLY THAT EMBASSY HAS NOT RECEIVED INSTRUCTIONS TO TAKE ACTION IN CASE AND COULD MAKE NO RECOMMENDATIONS TO COMPANY AS TO COURSE OF ACTION IT SHOULD FOLLOW,
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BUT DID AGREE TO PASS ON THEIR CONCERN AND SENSE OF URGENCY

TO DEPARTMENT FOR POSSIBLE TRANSMITTAL TO DELTEC OFFICIALS
IN US.

3. SEPARATE CABLE FOLLOWS ON ADDITIONAL ASPECTS OF CRIMINAL
CASE.
HILL

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NNN

Message Attributes

Automatic Decaptioning: X
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Disposition Authority: cunninfx
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